

BILL ANALYSIS

H.B. 2531
By: Olivo
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Fort Bend Municipal Utility District No. 183 (the “District”) will encompass an area of land inside the extraterritorial jurisdiction of the City of Alvin, Texas. The land to be located within the District will be developed into single family residential and commercial development; therefore, water, sewer, drainage and road services need to be secured. It is necessary to create the District under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. It is also necessary to empower the District with authority to impose a tax and issue bonds; granting the power of eminent domain. HB 2531 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the District.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8165 to read as follows:

CHAPTER 8165. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 183

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8165.001. DEFINITIONS. Defines “Board,” “Director,” and “District.”

Sec. 8165.002. NATURE OF DISTRICT. Provides that the district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8165.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 8165.005 before September 1, 2011, (1) the district is dissolved September 1, 2011, except that: (A) any debts incurred shall be paid; (B) any assets that remain after the payment of debts shall be transferred to Fort Bend County; and (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and (2) this chapter expires September 1, 2014.

Sec. 8165.004. INITIAL DISTRICT TERRITORY. Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect: (1) the organization, existence, or validity of the district; (2) the right of the district to impose taxes; (3) the validity of the district’s bonds, notes, or indebtedness; or (4) the legality or operation of the district or the board.

[Sections 8165.005-8165.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

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Sec. 8165.051. GOVERNING BODY; TERMS. Provides that the district is governed by a board of five directors. Provides that except as provided by Section 8165.052, directors serve staggered four-year terms.

Sec. 8165.052. INITIAL DIRECTORS. Provides that the initial board consists of: (1) John Randolph; (2) Stacy Eickhoff; (3) Karen Ross; (4) John Neslage; and (5) Stephen Eustis. Provides that unless the initial board agrees otherwise, the initial directors shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8165.053, and which three shall serve until the second regularly scheduled election of directors. Provides that this section expires September 1, 2014.

Sec. 8165.053. INITIAL ELECTION OF PERMANENT DIRECTORS. Provides that on the uniform election date in May of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8165.055, an election shall be held in the district for the election of two directors to replace the initial directors who, under Section 8165.052(b), serve until that election.

Sec. 8165.054. CONSENT OF MUNICIPALITY REQUIRED. Provides that the initial directors may not hold an election under Section 8165.055 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution consenting to the creation of the district.

Sec. 8165.055. CONFIRMATION ELECTION. Provides that the initial directors shall hold an election to confirm the creation of the district in the manner provided by Section 49.102, Water Code. A reference to temporary directors or to electing permanent directors under Section 49.102 does not apply to the district.

[Sections 8165.056-8165.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8165.102. ROAD PROJECTS. Provides that to the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district. Provides that the a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located. Provides that the district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Sec. 8165.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Provides that the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Alvin.

[Sections 8165.104-8165.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8165.151. TAX TO REPAY BONDS. Provides that the district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8165.201.

[Sections 8165.152-8165.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8165.201. **AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.** Provides that the district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8165.101 or 8165.102. Provides that the district may not issue bonds to finance projects authorized by Section 8165.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose. Provides that Bonds or other obligations issued or incurred to finance projects authorized by Section 8165.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. BOUNDARIES. Sets forth the boundaries of the District.

SECTION 3. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. Provides that proper and legal notice setting forth the general substance of this Act has been published as provided by law. Provides that the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code. Provides that the Governor has submitted the notice and Act to the Texas Commission on Environmental Quality. Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the Governor, Lieutenant Governor, and Speaker of the House of Representatives within the required time. Provides that all requirements of the Constitution and laws of this State and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. EFFECTIVE DATE. Provides that the effective date is September 1, 2007.

EFFECTIVE DATE

September 1, 2007.